

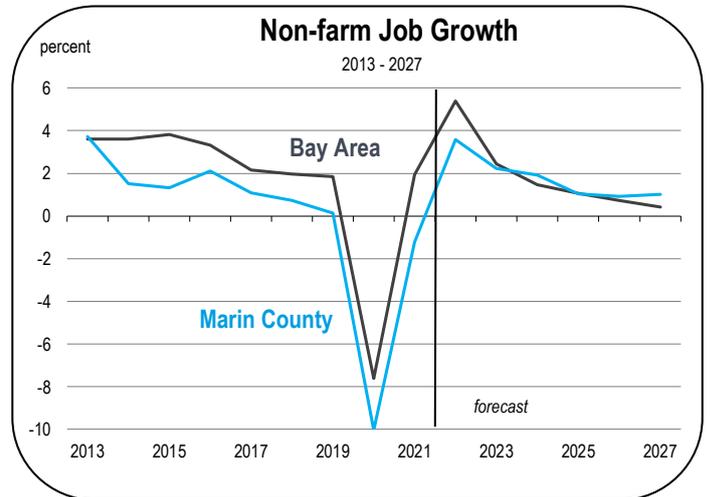
Marin County Economic Forecast

Forecast Summary

- On an annual average basis, approximately 3,600 non-farm jobs will be restored in Marin County during 2022.
- The labor market rebound from the 2020 pandemic recession has been slow. At the current pace of job creation, the county won't achieve a full recovery until 2028.
- Employment gains in 2022 will be largest in leisure and hospitality, professional business services, and other private services.
- The unemployment rate averaged 4.5 percent in 2021. It is forecast to average 2.4 percent in 2022 and 2.7 percent in 2023.
- The Marin County population has been declining for several years, a trend that is expected to persist throughout the forecast.
- Housing production will be minimal over the forecast period.
- Home prices rose 8.3 percent in 2021. Home values are expected to rise by a similar rate of appreciation in 2022, despite declining selling prices over the second half of 2022.

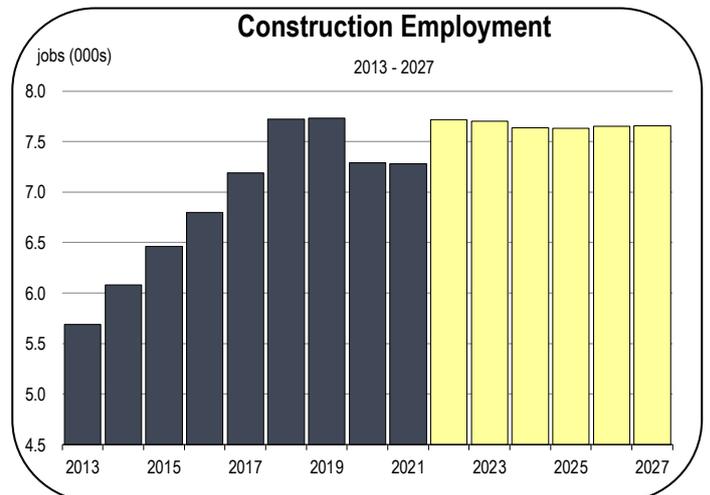
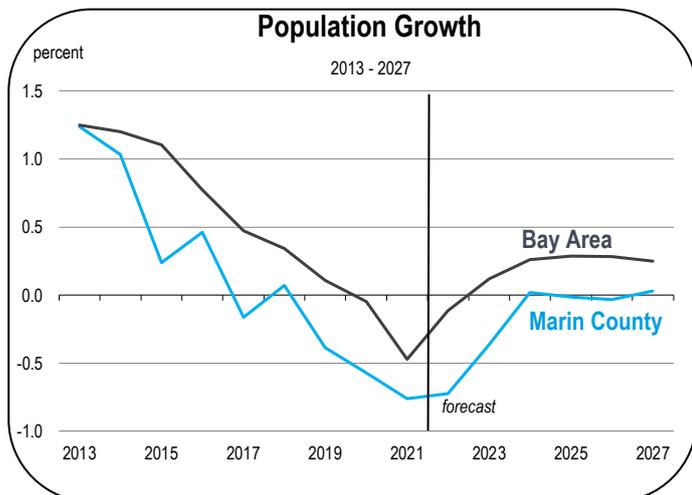
Job Growth

- Total employment in Marin County will expand by 3.6 percent in 2022, and 2.2 percent in 2023.
- Between 2022 and 2027, employment growth will average 1.8 percent per year, closely tracking the growth of the broader Bay Area labor market.

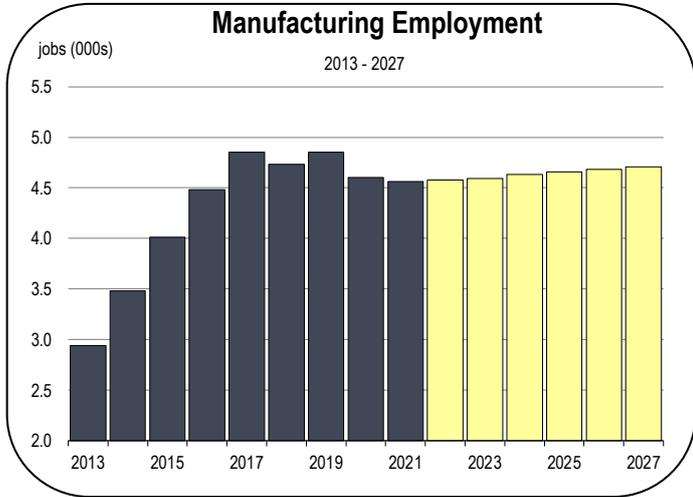


Construction Employment

- Employment in construction rebounded sharply in 2022, with an estimated 600 jobs created.
- New construction has generally been limited in Marin County, however, more new development is in planning over the next 10 years. Projects likely to start over the next 5 years will support the maintenance of approximately 7,500 jobs in construction jobs per year.
- New construction activity has been driven by housing remodels, but more new housing may be forthcoming. The California Department of Housing and Community Development recently assigned the county a hefty housing requirement to execute by 2031.



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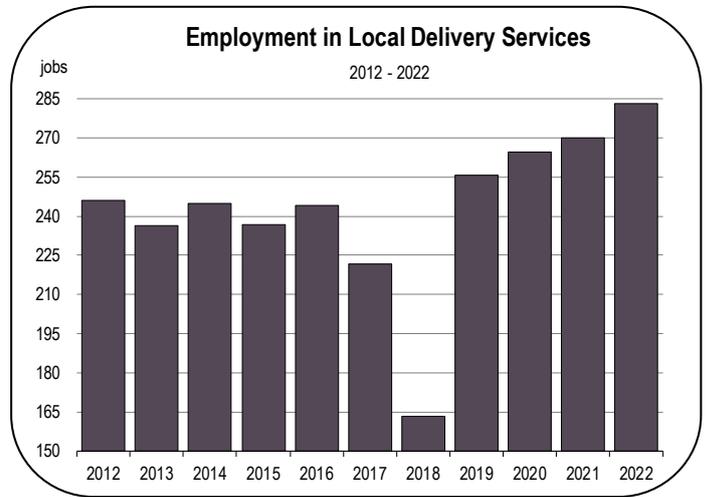
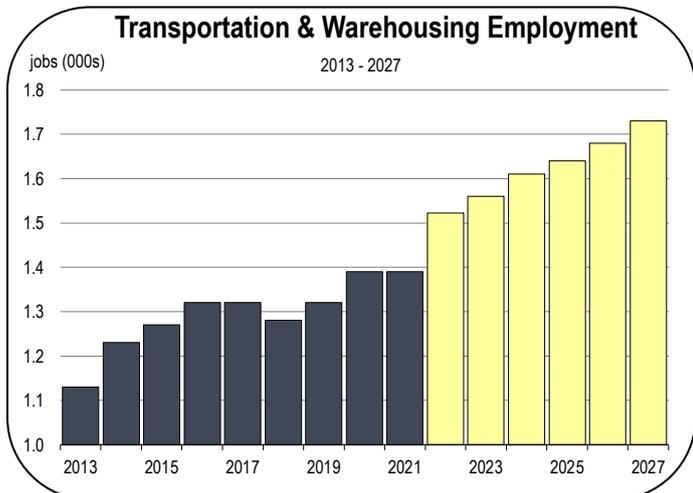


Manufacturing Employment

- Marin County manufacturing is dominated by pharmaceutical companies.
- Two of the largest are BioMarin Pharmaceutical and Ultragenyx Pharmaceuticals, which are based in Novato.
- During 2022, there were more than 350 advertisements for manufacturing jobs on the Indeed website. Help wanted company ads were posted most frequently by LCG Limited, Viavi Solutions, and BioMarin.
- Marin County is also the location of food manufacturing companies and at least 15 wineries.

Transportation and Warehousing Employment

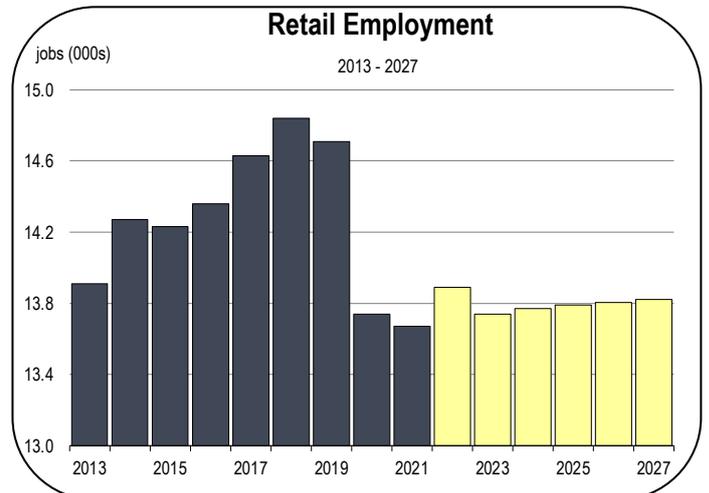
- There was no change in average Transportation and Warehousing employment in 2021. But in 2022, a surge in new employment has been observed. It is estimated that the sector will add 135 jobs in 2022.



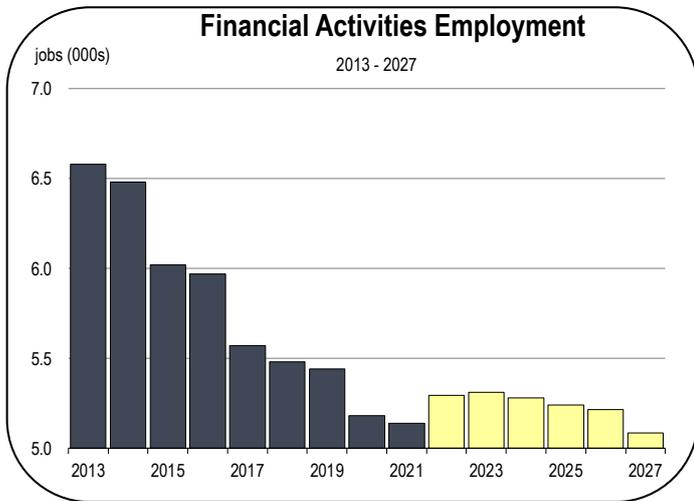
- Local delivery jobs are being created across most parts of California in response to a surge in direct-to-consumer shipping and a larger volume of spending on retail goods from internet sites. Consequently, the forecast has employment in this sector rising gradually over time.

Retail Trade Employment

- Though employment in grocery stores and service stations rebounded slightly in 2021, there was no net gain in total retail employment.
- The sector added 200 jobs in 2022 but this trend is not sustainable in view of the general outlook for the retail industry over the next 5 years.
- Automation in stores and the widespread transition to online shopping will limit employment opportunities over time.



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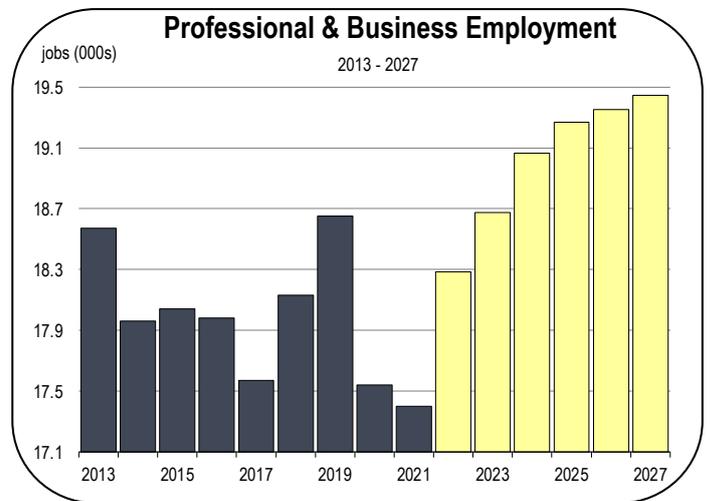


Financial Activities Employment

- The financial activities industry is largely comprised of real estate firms, investment management companies, banks, and insurance firms.
- Employment within the sector has been in decline since Fireman’s Fund Insurance, then the largest employer in Marin County, moved to Petaluma in 2015.
- Employment in the financial activities industry declined 1 percent in 2021 and is expected marginally add jobs in 2022.

Professional and Business Services Employment

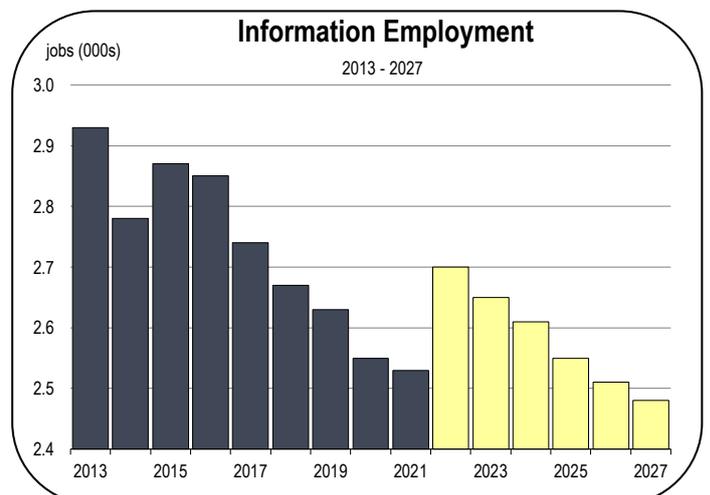
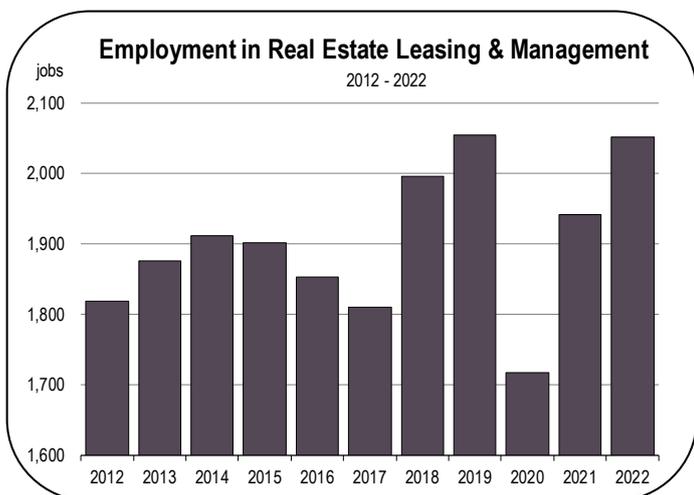
- The professional and business services sector is the second largest labor market in the county, just behind healthcare.
- Employment declined one percent in 2021, but is expected to increase 5 percent in 2022.



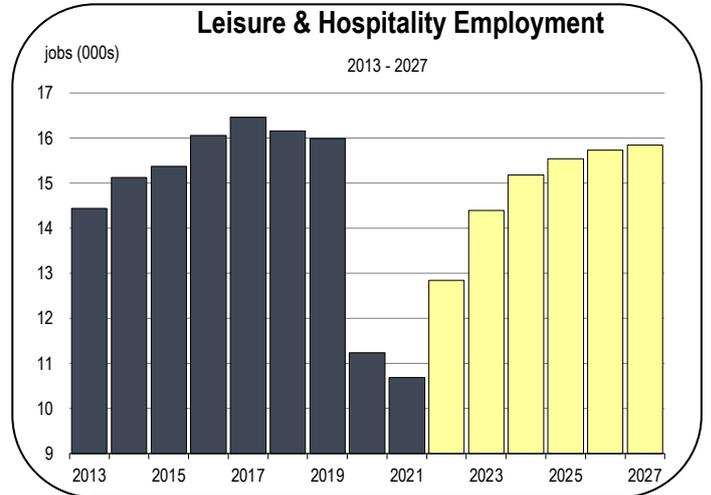
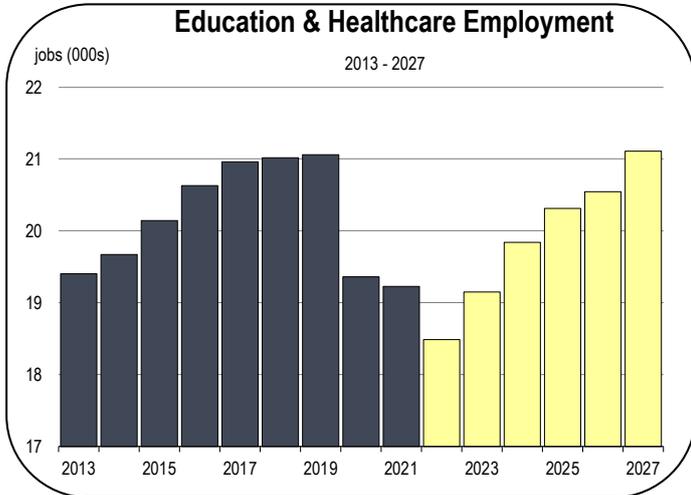
- Over the long term, future growth of the Marin County workforce will meaningfully occur in the professional business services sector, principally in engineering and technology consulting. The trend in job creation that began in 2018 is expected to extend throughout the forecast.

Information Employment

- In Marin County, the information sector is dominated by 2 firms: Autodesk, headquartered in San Rafael, that designs software, and Glassdoor, a website hosting firm that survey employees about their companies, salaries and job openings.
- Other subsectors of the information industry include telecommunications, newspapers, and movie theaters, all of which have been subject to declining employment over the last 6 years.
- Consolidation in these subsectors will ultimately offset gains at software firms, causing net employment to contract over time.



Marin County Economic Forecast



Private Education and Healthcare Employment

- The private healthcare and education industries were characterized by continued consolidation of jobs in 2021.
- Employment at hospitals, doctor’s offices, and dentist offices contracted modestly. Private schools and tutoring centers also declined.
- The healthcare and education industry will consolidate further in 2022 with net additions to employment occurring in 2023. The forecast calls for a 600 job gain in 2023 with similar increases in employment over the next two years.

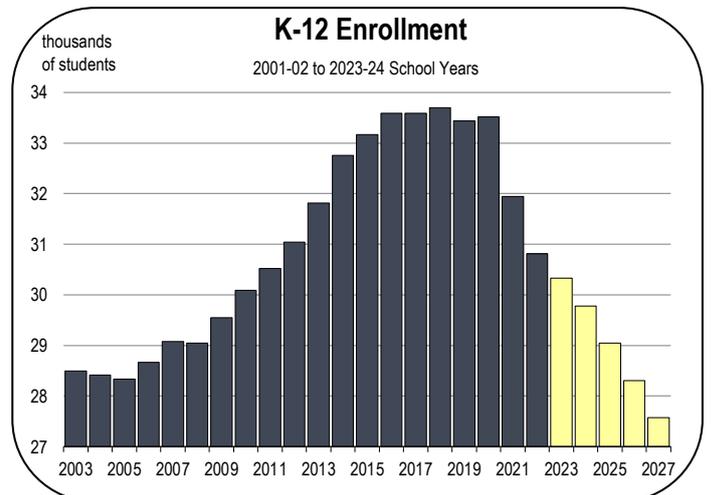
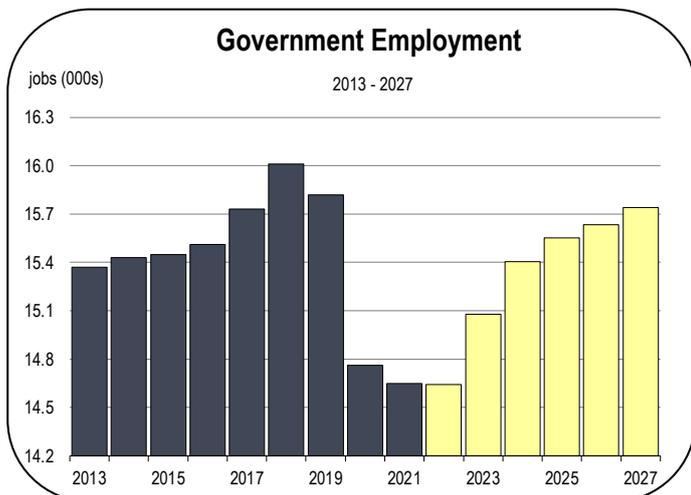
Leisure and Hospitality Employment

- The leisure and hospitality sector has struggled to recover jobs lost during the pandemic recession, largely because the labor force was never fully restored, limiting the number of workers that could be recruited to fill jobs.

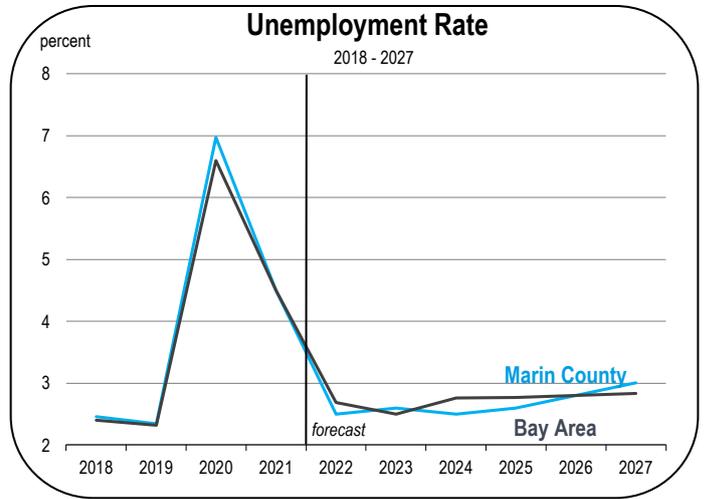
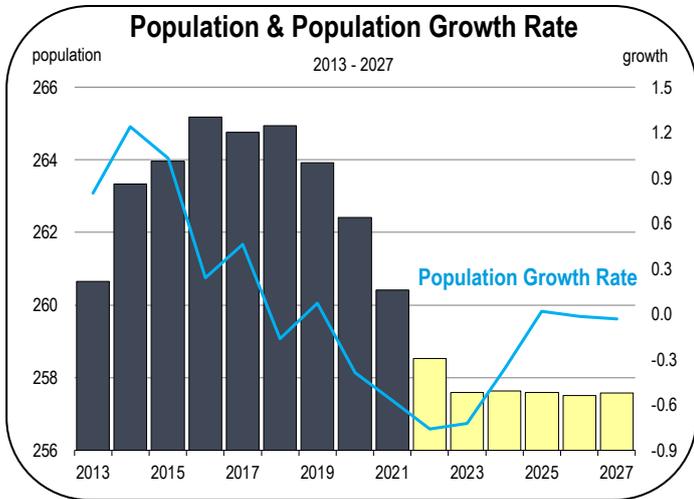
- The pace of employment growth in 2022 will result in the restoration of nearly 2,000 jobs in this sector.
- Another 1,100-job gain is forecast for 2023, with smaller additions per year thereafter.

Government Employment

- State and local government were able to upsize staffing levels in 2022
- Most public sector job declines occurred at the local level, within school districts and special districts, due largely to rapidly declining enrollment within public schools.
- Employment is expected to rebound gradually over the forecast, but additions to public sector employment will be limited by the declining demand for public schools and declining population growth within the county.



Marin County Economic Forecast



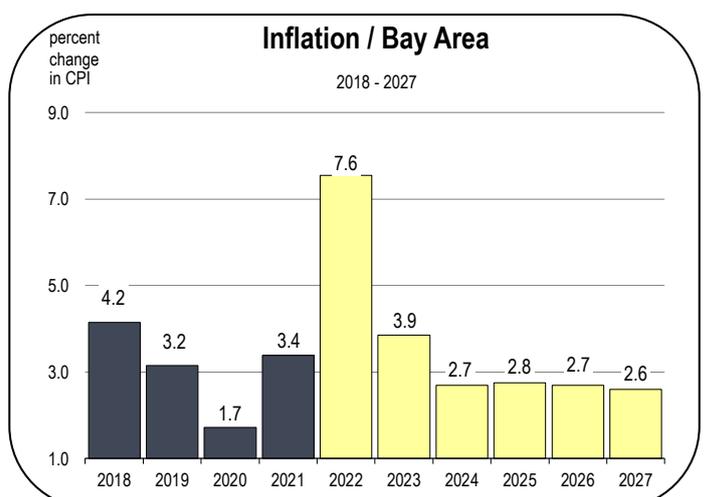
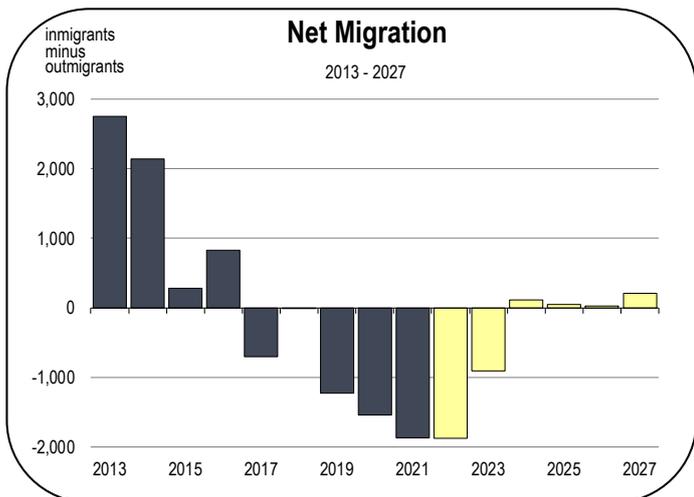
Population Growth

- By the end of 2027, population is forecast to be lower by 3,000 residents.
- Net migration is expected to remain negative, averaging 600 net out-migrants each year.
- Marin County has an older population base with a low birth rate. Over the forecast period, deaths will begin to outnumber births, leading to additional contraction in population.

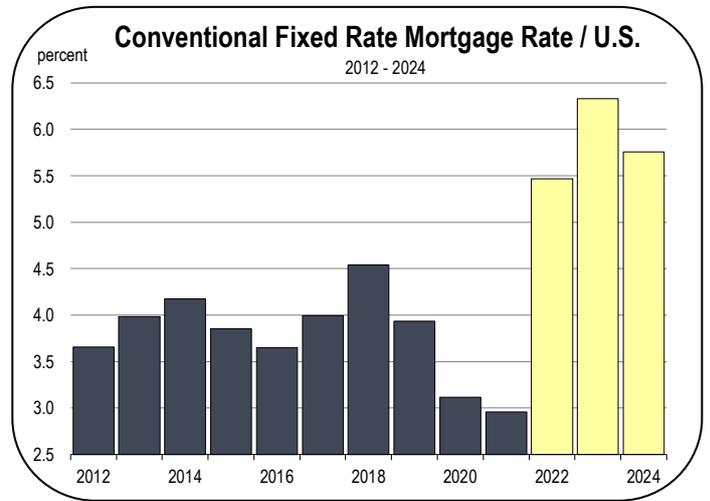
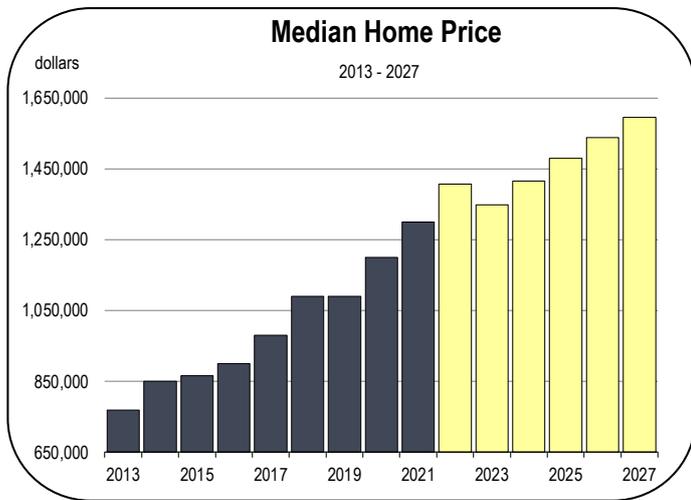
Unemployment and Inflation Rates

- The unemployment rate in Marin County averaged 7.3 percent in 2021, which was below the composite rate for the Bay Area.
- Because Marin County has a highly educated population and because a large share of individuals commute into San Francisco, the unemployment rate is typically lower than the Bay Area and California average.

- A fully employed labor force in Marin County occurs when the unemployment rate falls to 4.0 percent or less. For Marin County, this occurred in September 2021 and has been further declining since. The rate for 2022 will average 2.4 percent.
- Inflation soared in 2021 and is expected to remain elevated in 2022 and early 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages



Marin County Economic Forecast

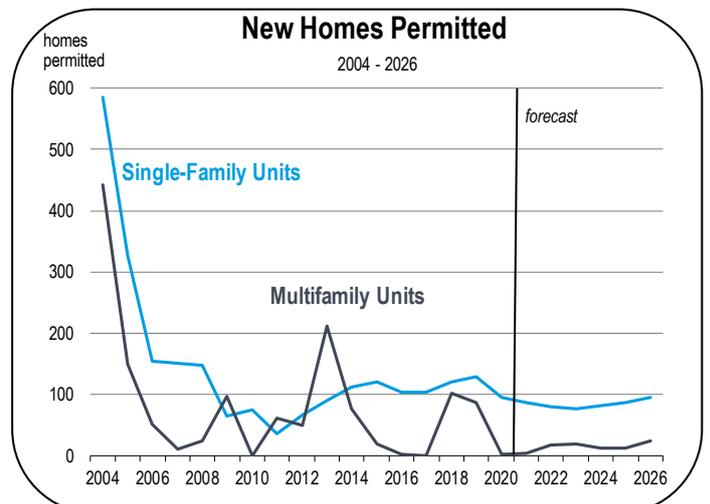
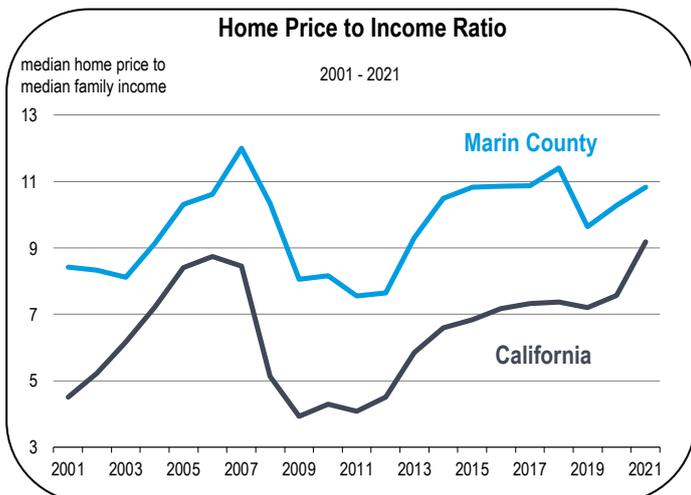


- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will gradually decelerate in 2023 as supply chains are restored, and the impending economic slowdown moderates the demand for labor and wage increases. Average inflation rates eventually decline to 3 percent again by 2024.

- Interest rates will remain high in 2023 along with home prices (despite a 10 percent decline), intensifying the affordability issue.
- From 2016 to 2021, an average of 140 new homes were started per year in Marin County. Approximately 75 percent were single-family homes.
- Housing production is expected to average 77 homes per year from 2022 to 2027, consisting primarily of single-family homes.
- As part of the Regional Housing Needs Assessment program, The Association of Bay Area Governments (ABAG) assigned the unincorporated area of Marin County a total of 3,569 new homes over the 2023 to 2031 period. Compared to the previous 8-year-cycle, Marin County unincorporated is being assigned 19 times more units.
- ABAG has further assigned 10,836 housing units to Marin’s 11 cities and towns, including 3,220 units for San Rafael. The county has ignored these allocations in the past. Consequently, the forecast does not assume a meaningful change in housing production.

Home Prices and New Housing Production

- In 2021 the median home selling price in Marin County was \$1.3 million, rising 8 percent over the median price in 2020.
- For single family detached homes, the median price in April 2022 had eclipsed \$2 million.
- The median price has become prohibitively expensive in Marin County, where the price-to-income ratio has eclipsed 10. A housing price that is ten times annual income was akin to the ratio during the housing bubble years of 2005-2007.



Marin County Economic Forecast



Northgate Town Square

- San Rafael has 11 major planned projects including:
 1. 1515 Fourth Street Apartments (191 units)
 2. Northgate Town Square (1,320 units)
 3. Los Gamos Apartments (192 units)
- Northgate Town Square is a proposed redevelopment of the existing Northgate Mall. The project proposes a reduction in the existing commercial retail space from 775,677 to 225,100 square-feet. The newly freed space would go to the construction of high-density multifamily residential buildings from townhomes to apartment buildings.
- The city of Novato currently has 12 proposed and 16 approved development projects.
- The main proposed projects include:
 1. 777 San Marin Drive (1,081 units)
 2. Grant Avenue Mixed Use Project (227 units)
 3. Habitat Redwood Blvd (80 units)
 4. Hanna Ranch Mixed use
 - a. 125-room hotel
 - b. 12,500 square-feet of retail space
 - c. 26,200 square-feet of office space
 - d. 11,158 square feet of restaurant space
 5. Valley Oaks (123 units)
 6. Village at Novato (178 units)
- The main approved projects include:
 1. 7711 Redwood Blvd (80 for-sale units)
 2. Atherton Place (50 townhomes)
 3. Costco Fuel Facility
 4. Hamilton Village (75 townhomes)
 5. Landing Court Homes (32 townhomes)
 6. Residence Inn (103 rooms)

Marin County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	263,964	104.0	280	141	246	\$29.9	\$3.8	\$5.1	\$1.9	\$136,043	3.6	\$133.4	2.6
2016	265,181	104.2	826	106	249	\$31.0	\$3.8	\$5.1	\$3.6	\$136,387	3.3	\$112.5	3.0
2017	264,753	104.3	-700	104	247	\$32.6	\$3.8	\$5.2	\$5.6	\$139,222	2.9	\$98.5	3.2
2018	264,944	104.7	-1	222	248	\$35.3	\$4.0	\$5.4	\$5.6	\$144,647	2.5	\$102.1	4.2
2019	263,917	104.9	-1,228	215	250	\$36.7	\$4.1	\$5.5	\$5.5	\$146,163	2.3	\$103.0	3.2
2020	262,410	105.0	-1,544	99	244	\$37.5	\$3.8	\$5.1	\$6.0	\$147,581	7.0	\$105.3	1.7
2021	260,416	105.4	-1,867	92	242	\$39.2	\$4.5	\$6.2	\$6.0	\$150,528	4.5	\$96.7	3.4
2022	258,531	105.1	-1,875	99	244	\$42.5	\$5.2	\$7.0	\$6.0	\$152,750	2.5	\$102.6	7.6
2023	257,587	105.2	-906	85	245	\$44.6	\$5.4	\$7.3	\$6.1	\$155,169	2.6	\$103.7	3.9
2024	257,636	105.3	111	62	246	\$46.6	\$5.5	\$7.4	\$6.2	\$157,781	2.5	\$103.9	2.7
2025	257,595	105.3	46	65	246	\$48.6	\$5.6	\$7.6	\$6.3	\$159,995	2.6	\$104.4	2.8
2026	257,510	105.4	24	75	246	\$50.5	\$5.7	\$7.7	\$6.4	\$162,139	2.8	\$104.6	2.7
2027	257,584	105.4	208	76	246	\$52.6	\$5.8	\$7.8	\$6.5	\$164,419	3.0	\$104.7	2.6
2028	257,510	105.5	80	82	246	\$54.7	\$5.9	\$8.0	\$6.6	\$166,684	3.0	\$104.9	2.6
2029	257,425	105.5	81	84	245	\$56.8	\$6.0	\$8.2	\$6.8	\$168,620	3.0	\$105.1	2.7
2030	257,330	105.6	85	85	245	\$59.0	\$6.2	\$8.5	\$6.9	\$170,626	3.0	\$105.3	2.6
2031	257,300	105.7	186	85	245	\$61.1	\$6.4	\$8.7	\$7.1	\$172,288	3.0	\$105.5	2.5
2032	257,189	105.7	136	89	245	\$63.2	\$6.6	\$8.9	\$7.2	\$173,677	3.0	\$105.5	2.7
2033	257,052	105.8	138	91	244	\$65.4	\$6.8	\$9.2	\$7.4	\$175,554	3.0	\$105.5	2.3
2034	256,889	105.9	141	92	244	\$67.6	\$6.9	\$9.4	\$7.5	\$177,131	3.0	\$105.5	2.5
2035	256,654	106.0	95	94	243	\$69.9	\$7.1	\$9.7	\$7.6	\$178,621	3.0	\$105.5	2.6
2036	256,402	106.0	100	93	243	\$72.3	\$7.4	\$10.0	\$7.7	\$179,684	3.0	\$105.4	3.0
2037	256,087	106.1	56	93	243	\$74.9	\$7.6	\$10.4	\$7.7	\$180,772	3.0	\$105.4	3.1
2038	255,751	106.2	64	92	243	\$77.5	\$7.9	\$10.7	\$7.8	\$181,759	3.0	\$105.3	2.9
2039	255,353	106.2	21	91	243	\$80.1	\$8.1	\$11.1	\$7.9	\$182,556	3.0	\$105.3	3.1
2040	254,932	106.3	28	90	243	\$82.7	\$8.4	\$11.4	\$7.9	\$183,318	3.0	\$105.3	3.0
2041	254,436	106.4	-16	90	243	\$85.3	\$8.6	\$11.7	\$8.0	\$184,591	3.0	\$105.2	2.6
2042	253,922	106.5	-9	89	243	\$87.9	\$8.8	\$12.0	\$8.1	\$185,789	3.0	\$105.2	2.5
2043	253,398	106.5	-3	88	243	\$90.4	\$9.1	\$12.3	\$8.1	\$187,091	3.0	\$105.1	2.4
2044	252,809	106.6	-48	88	244	\$93.0	\$9.3	\$12.6	\$8.2	\$188,597	3.0	\$105.1	2.3
2045	252,203	106.7	-42	88	244	\$95.6	\$9.5	\$12.9	\$8.3	\$189,945	3.0	\$105.1	2.3
2046	251,583	106.7	-37	87	244	\$98.5	\$9.8	\$13.3	\$8.4	\$191,356	3.0	\$105.0	2.4
2047	250,951	106.8	-31	87	244	\$101.4	\$10.0	\$13.6	\$8.4	\$192,516	3.0	\$105.0	2.6
2048	250,307	106.9	-26	87	245	\$104.5	\$10.3	\$14.0	\$8.5	\$193,534	3.0	\$105.0	2.7
2049	249,642	106.9	-22	86	245	\$107.4	\$10.6	\$14.4	\$8.6	\$194,778	3.0	\$105.0	2.4
2050	248,957	107.0	-17	87	246	\$110.5	\$10.9	\$14.8	\$8.7	\$195,957	3.0	\$105.0	2.5

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	112.0	0.3	6.5	4.0	1.3	16.8	6.0	18.0	2.9	20.1	15.4	15.5
2016	114.3	0.3	6.8	4.5	1.3	16.9	6.0	18.0	2.9	20.6	16.1	15.5
2017	115.6	0.3	7.2	4.9	1.3	17.1	5.6	17.6	2.7	21.0	16.5	15.7
2018	116.4	0.3	7.7	4.7	1.3	17.2	5.5	18.1	2.7	21.0	16.2	16.0
2019	116.6	0.4	7.7	4.9	1.3	17.0	5.4	18.7	2.6	21.1	16.0	15.8
2020	105.0	0.4	7.3	4.6	1.4	15.9	5.2	17.5	2.6	19.4	11.2	14.8
2021	103.7	0.4	7.3	4.6	1.4	15.8	5.1	17.4	2.5	19.2	10.7	14.7
2022	107.4	0.4	7.9	4.6	1.5	16.0	5.3	18.2	2.7	18.4	12.6	14.6
2023	109.8	0.4	7.7	4.6	1.6	15.9	5.3	18.5	2.7	19.2	13.7	15.1
2024	111.9	0.4	7.6	4.6	1.6	15.9	5.3	18.9	2.6	19.8	14.3	15.4
2025	113.0	0.4	7.6	4.7	1.6	16.0	5.2	19.1	2.6	20.3	14.6	15.6
2026	114.1	0.4	7.7	4.7	1.7	16.0	5.2	19.2	2.5	20.5	15.1	15.6
2027	115.2	0.4	7.7	4.7	1.7	16.0	5.1	19.4	2.5	21.1	15.4	15.7
2028	115.9	0.4	7.7	4.7	1.7	16.1	5.0	19.5	2.5	21.3	15.7	15.8
2029	116.5	0.4	7.6	4.8	1.8	16.1	4.8	19.6	2.5	21.4	16.0	15.9
2030	116.8	0.4	7.5	4.8	1.9	16.1	4.7	19.7	2.5	21.5	16.2	16.0
2031	117.0	0.4	7.4	4.8	1.9	16.1	4.6	19.7	2.5	21.6	16.3	16.0
2032	117.0	0.4	7.3	4.8	2.0	16.1	4.5	19.6	2.5	21.8	16.5	15.9
2033	117.3	0.4	7.3	4.8	2.0	16.1	4.4	19.6	2.4	21.9	16.6	16.0
2034	117.5	0.4	7.4	4.8	2.1	16.1	4.3	19.6	2.4	21.9	16.7	16.1
2035	117.7	0.4	7.3	4.8	2.1	16.1	4.1	19.5	2.4	22.0	16.8	16.2
2036	117.7	0.4	7.2	4.8	2.1	16.2	4.0	19.5	2.4	22.1	16.9	16.2
2037	117.8	0.4	7.1	4.7	2.1	16.2	4.0	19.5	2.4	22.1	17.1	16.3
2038	117.8	0.4	7.0	4.7	2.1	16.2	3.9	19.4	2.4	22.2	17.2	16.3
2039	117.8	0.4	6.9	4.7	2.2	16.2	3.8	19.3	2.4	22.2	17.3	16.3
2040	117.8	0.4	6.8	4.7	2.2	16.2	3.7	19.3	2.4	22.2	17.4	16.4
2041	117.8	0.4	6.8	4.7	2.2	16.2	3.6	19.2	2.4	22.2	17.5	16.4
2042	117.8	0.4	6.8	4.7	2.2	16.2	3.5	19.1	2.4	22.2	17.6	16.5
2043	117.8	0.4	6.8	4.7	2.2	16.2	3.5	19.0	2.4	22.2	17.7	16.5
2044	117.9	0.4	6.7	4.7	2.2	16.2	3.4	18.9	2.4	22.2	17.9	16.7
2045	117.8	0.4	6.7	4.7	2.2	16.3	3.3	18.8	2.4	22.2	18.0	16.7
2046	117.8	0.4	6.7	4.7	2.2	16.3	3.2	18.7	2.4	22.2	18.1	16.8
2047	117.7	0.4	6.7	4.7	2.2	16.3	3.2	18.6	2.4	22.1	18.2	16.8
2048	117.6	0.4	6.6	4.7	2.2	16.3	3.1	18.5	2.4	22.1	18.3	16.8
2049	117.6	0.4	6.6	4.7	2.2	16.3	3.0	18.3	2.4	22.0	18.4	16.9
2050	117.5	0.4	6.6	4.7	2.2	16.4	3.0	18.2	2.4	22.0	18.5	16.9

Marin County Economic Forecast

Socioeconomic Indicators

